

**REQUEST FOR PROPOSAL**

**TO PROVIDE**

**ECONOMIC CONSULTING AND  
ANALYSIS SERVICES**

**9/1/2004 – 3/31/2005**

**TO**

**THE STATE OF NEW HAMPSHIRE**

**August 2004**

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# **PROPOSAL INSTRUCTIONS**

All proposals addressed to the State of New Hampshire, Department of Insurance, 56 Old Suncook Road, Concord, NH 03301-7317.

All bidders are hereby notified that sealed proposals must be in the office by Wednesday, August 25, 2004 at 3:00 p.m. Bidders are cautioned that it is their responsibility to originate the sending of bids in sufficient time to insure receipt by the Department by the above date and time. Bids received after the above date and time will not be considered.

All bids will be publicly opened. Any interested party may attend bid openings. Bid results may be requested in writing and are available once an award has been made.

The Department of Insurance may, for cause, change the date and/or time of the bid opening. If a change is made, all parties will be notified.

## **1.0 PURPOSE OF REQUEST FOR PROPOSAL**

The State's objective is to identify, select and contract with a vendor capable of providing economic consulting services and analysis of various premium tax reform proposals.

## **2.0 SCOPE OF REQUESTED SERVICES**

**2.1 Written Report:** The Legislature is considering reducing the premium tax. Legislative options being considered include varying the reduction by line of business and implementing the reduction on a graduated basis. Vendors should consider effects separately for property and casualty, life, health and all other types of business. The Vendor shall consider reducing the premium tax rate to 1% immediately, e.g. with an effective date of January 1, 2006. The Vendor shall also consider a 0.25% reduction in the premium tax rate beginning on January 1, 2006 with further reductions of 0.25% implemented on each following January 1<sup>st</sup> until the premium tax rate is 1%. The Vendor shall analyze and summarize the effects of these various proposals and summarize their findings in a written report. The report shall be written for the Legislative Study Committee established pursuant to HB 1311 of the 2004 general session. The report shall include the following:

- Anticipated effect on Premium Tax Revenues collected from NH Domestic
- Anticipated effect on Premium Tax Revenues collected from Foreign Carriers
- Anticipated effect on other State Revenue including revenues from the Business and Profit Tax and the Business Enterprise Tax
- Anticipated effect on the Premium Tax liabilities of NH Domestic to other states
- An estimate of the number of new jobs that would be created in the state, including some characterization as to the quality of these jobs, e.g. an estimate of the median wage
- A characterization of how competitive or attractive NH is to insurance companies as a potential state of domicile both today and after the implementation of a considered tax reform, including an estimate of the number of new companies that would be attracted to domesticate or redomesticate in NH
- A characterization of the likelihood that States will compete to attract insurance companies by lowering their premium tax rates and how such a competition might impact NH's reform efforts
- A characterization of the effectiveness of a premium tax reduction of 1% as compared to a lesser reduction, e.g. 0.5%.
- A thorough description, in lay terms, of the analytical methods used and the basis for all assumptions made

The Vendor must be able to commit staff of sufficient size and experience to start this project by 9/1/2004 and complete it on or before 9/15/2004.

**2.2 Oral Testimony:** The Vendor shall be available to appear before a Legislative Committee to present the Vendor's findings and answer questions. The Vendor shall be available upon two weeks notice to appear at any such meeting that occurs on or before September 30, 2005.

**2.3 Amendments and Alternatives:** The Vendor shall provide written analysis for other alternatives as directed by the State. The Vendor shall be available for such further directed analysis through September 30, 2005.

### **3.0 EFFECTIVE DATE**

The effective date for the contract is anticipated to be in September, 2004. The contract will expire September 30, 2005.

### **4.0 VENDOR RESPONSE – CONTENT AND FORMAT**

The instructions and format for the submission of proposal information are designed to ensure the provision of data considered essential to the understanding and comprehensive evaluation of the bidder's proposal. There is no intent to limit the content of the proposals or in any way to inhibit a presentation in other than the vendor's favor. The vendor may include such additional information or data as may be appropriate, but shall not exclude any portion requested in this document. All proposals must contain the following information:

#### **4.1 Transmittal Letter**

A Transmittal letter, signed by an individual legally authorized to bind the company, must include a Statement indicating the vendor's form of business organization, i.e., corporation or partnership. The transmittal letter should include an address and other identifying information of the bidder. In addition, please identify a single point of contact for clarification of bid information.

#### **4.2 Customary State Contract Provisions**

The State requires the use of a uniform contract, a copy of which is included with this RFP identified as form P-37. The selected vendor must agree to adapt their contract language into this format. Exhibits A, and B will be developed based upon your RFP response. **Exhibit C must be included in the final contract. NO changes can be made to this section.** Please include a Statement in your proposal that you understand and agree with this provision.

### **5.0 QUESTIONNAIRE**

Please respond to each of the following questions. In your proposal, repeat the question and follow it with your response. All responses should reflect your organization and operations as of August 1, 2004.

#### **5.1 Information About You**

- a. Please provide the address of the office where our account would be serviced.
- b. To assist in the evaluation of your company's experience and capabilities, please provide the names of three (3) organizations for which you have performed similar analysis and reports. Include a contact name and a telephone number for each organization.
- c. Provide the name, title, experience and address of the person or persons who would be responsible for this account. Include managerial responsibility as well as daily administrative responsibility, if these are different persons.

## **5.2 Fees**

- a. In your price quotation for this bid, provide hourly rates for each individual involved. Also provide fees for each separate project listed and identified as 2.1 – 2.3, and a total consulting fee.

## **5.3 Other Information**

- a. Please describe in detail any Performance Standards and Guarantees you will offer the State.

## **6.0 TIMETABLE AND SCHEDULE**

The following timetable will be followed for the bidding process; may be changed or modified by the State at its discretion:

- |                                  |         |
|----------------------------------|---------|
| • RFP specifications distributed | 8/9/04  |
| • Proposals due from vendors     | 8/20/04 |
| • Bid Opening                    | 8/20/04 |
| • Contract awarded               | 9/01/04 |

## **7.0 QUESTION AND ANSWER PERIOD**

Any vendor requiring clarification of any section of this proposal or wishing to comment or take exception to any requirements or other portion of the RFP must submit specific questions in writing no later than August 13, 2004. Questions may be emailed to David.Sky@ins.nh.Gov or faxed to (603) 271-1406 or sent through the mail at the address listed below. Any objection to the RFP or to any provision of the RFP that is not raised in writing on or before the last day of the question period is waived. At the close of the question period, a copy of all questions or comments and the State's responses will be sent to all bidders.

## **8.0 CLOSING DATE**

The closing date for the receipt of proposals is Wednesday, August 20, 2004 at 3:00 p.m. Three copies of your bid should be delivered to:

**David Sky  
State of New Hampshire  
Insurance Department  
56 Old Suncook Road  
Concord, NH 03301-7317**

Proposals or unsolicited amendments submitted after that time will not be accepted and will be returned to the vendor. Vendors are cautioned that it is their responsibility to originate the mailing of bids in sufficient time to ensure receipt prior to the closing date.

**NOTE: The Department is in the middle of a move. Therefore electronic submissions will be accepted, and are in fact, preferred. Electronic submissions must be in PDF format and e-mailed to [david.sky@ins.nh.gov](mailto:david.sky@ins.nh.gov). Electronic submissions must be received by the stipulated deadline.**

The bid opening will be held on Friday, August 20, 2004 at 3:00 p.m. at the Insurance Department and is open to the public. Only the identity of the vendors submitting proposals will be announced at this time, no other information will be released until the contract is recommended for award.

## **9.0 SELECTION CRITERIA**

The State will evaluate each vendor proposal for a number of important factors. These factors include:

- Experience in providing similar services
- Ability to deliver quality technical resources
- Anticipated quality of deliverables
- Personnel Resumes
- Cost
- Performance Guarantees
- References
- Reporting Capabilities

The State will rate proposals offered using the following:

- |  |     |
|--|-----|
| • Experience providing similar service           | 20% |
| • Ability to deliver quality technical resources | 20% |
| • Personnel resumes                              | 20% |
| • Cost   | 20% |
| • Ability to meet project timetable              | 20% |

## **10.0 REQUIREMENTS AND ADDITIONAL INFORMATION**

- All qualified bids will be reviewed by the State. The Contract will be awarded to the vendor whose combination of services and cost best satisfy the objectives of the State. The State reserves the right to accept or reject any/all bids, including any subcontractor the vendor may include in the proposal. This document is only a request for proposal (RFP) and is in no way to be construed as a commitment to do business on the part of the State.
- Any costs incurred by vendors in preparing or submitting proposals are the vendor's sole responsibility. The State will not reimburse any vendor for these costs.
- Your proposal should include a statement indicating that you understand the requirements of the RFP. If your proposal deviates in any respect from the requirements of this RFP, you must include a statement specifying all such deviations. This statement should be in the front of your proposal and clearly marked.
- To assure that proposals are evaluated on an equal basis, it is required that all proposals conform to the specifications outlined in this document. All questions should be answered in the order presented. Subcontractors, if any, must be clearly identified and their role/function clearly explained. Vendors may provide additional

information as part of the proposals that might serve to provide a clearer understanding of their capabilities and services.

- This contract will be awarded no later than September 1, 2004, contingent on approval from Governor and Council. If awarded later, no interest or fees will be charged to the State.



Subject: \_\_\_\_\_

**AGREEMENT**

The State of New Hampshire and the Contractor hereby mutually agree as follows:

**GENERAL PROVISIONS**

1. Identification and Definitions.

1.1 State Agency Name		1.2 State Agency Address	
1.3 Contractor Name		1.4 Contractor Address	
1.5 Account No.	1.6 Completion Date	1.7 Audit Date	1.8 Price Limitation
1.9 Contracting Officer for State Agency		1.10 State Agency Telephone Number	
1.11 Contractor Signature		1.12 Name & Title of Contractor Signor	
1.13 Acknowledgment: State of _____, County of _____  On _____, before the undersigned officer, personally appeared the person identified in block 1.12., or satisfactorily proven to be the person whose name is signed in block 1.11., and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal]			
1.13.2 Name & Title of Notary or Justice of the Peace			
1.14 State Agency Signature(s)		1.15 Name/Title of State Agency Signor(s)	
1.16 Approval by Department of Personnel (Rate of Compensation for Individual Consultants)  By: _____ Director, On: _____			
1.17 Approval by Attorney General (Form, Substance and Execution)  By: _____ Assistant Attorney General, On: _____			
1.18 Approval by the Governor and Council  By: _____ On: _____			
2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("the State"), engages contractor identified in block 1.3 ("the Contractor") to perform, and the Contractor shall perform, that work or sale of goods, or both, identified and more particularly described in EXHIBIT A incorporated herein ("the Services").			
3. EFFECTIVE DATE: COMPLETION OF SERVICES. 3.1 This agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Council of the State of New Hampshire approve this agreement, ("the Effective Date"). 3.2 If the date for commencement in Exhibit A precedes the Effective Date all services performed by Contractor between the commencement date and the Effective Date shall be performed at the sole risk of the contractor and in the event that this Agreement does not become effective, the State shall be under no obligation to pay the contractor for any costs incurred or services performed; however that if this Agreement becomes effective all costs incurred prior to the effective date shall be paid under the terms of this Agreement. All services must be completed by the date specified in block 1.6.			
4. CONDITIONAL NATURE OF AGREEMENT. Notwithstanding anything in this agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the account identified in block 1.5 in the event funds in that account are reduced or unavailable.			

**It is unlawful to make any alteration to the text of this document.**  
**A signature on this document signifies that no alterations have been made to the original text or format.**

## **5. CONTRACT PRICE: LIMITATION ON PRICE: PAYMENT.**

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in Exhibit B, incorporated herein.

5.2 The payment by the State of the contract price shall be the only, and the complete, reimbursement to the Contractor for all expenses, of whatever nature, incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by RSA 80:7 through 7-C or any other provision of law.

5.4 Notwithstanding anything in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made, hereunder exceed the price limitation set forth in block 1.8 of these general provisions.

## **6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS: EQUAL EMPLOYMENT OPPORTUNITY.**

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to civil rights and equal opportunity laws. In addition, the vendor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap or national origin and will take affirmative action to prevent such discrimination.

6.3 If this agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States, access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants and conditions of this Agreement.

## **7. PERSONNEL**

7.1 The performance of the Services shall be carried out by employees of the Contractor. The Contractor shall at its own expense, provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 The Contractor shall not hire, and shall permit no subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services, to hire any person who has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final.

## **8. EVENT OF DEFAULT, REMEDIES.**

8.1 Anyone or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Events of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule; or

8.1.2 failure to submit any report required hereunder; or

8.1.3 failure to perform any other covenant or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this agreement, effective two (2) days after giving the Contractor notice of termination; and

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the Contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid

to the Contractor; and

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and

8.2.4 treat the agreement as breached and pursue any of its remedies at law or in equity, or both.

## **9. DATA: ACCESS; CONFIDENTIALITY; PRESERVATION.**

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed

by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 On and after the Effective Date, all data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by RSA 91-A or other existing law. Disclosure pursuant to a right to know request shall require prior written approval of the State.

10. **TERMINATION.** In the event of an early termination of this Agreement for any reason other than the completion to the Services, the Contractor shall deliver

to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("the Termination Report") describing in detail all Services performed, and the Contract Price earned, to and including the date of termination. To the extent possible, the form, subject matter, content, and number of copies of the Termination Report shall be identical to those of any Final Report described in EXHIBIT A.

11. **CONTRACTOR'S RELATION TO THE STATE.** In the performance of this agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, worker's compensation or other emoluments provided by the State to its employees.

12. **ASSIGNMENT, DELEGATION AND SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State. None of the Services shall be delegated or subcontracted by the Contractor without the prior written consent of the State.

13. **INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or

on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor.

Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this Agreement.

## **14. INSURANCE AND BOND.**

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, both for the benefit of the State, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per incident; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 of these general provisions, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Each policy shall contain a clause prohibiting cancellation or modifications of the policy earlier than 10 days after written notice thereof has been received by the State.

15. **WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that event, or any subsequent Event. No express failure of any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Contractor.

16. **NOTICE.** Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, above.

17. **AMENDMENT.** This agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Council of the State of New Hampshire.

18. **CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns.

19. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this agreement shall not be construed to confer any such benefit.

20. **SPECIAL PROVISIONS.** The additional provisions set forth in EXHIBIT C hereto are incorporated as part of this Agreement.

21. **ENTIRE AGREEMENT.** This agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understanding.

**It is unlawful to make any alteration to the text of this document.**

**A signature on this document signifies that no alterations have been made to the original text or format.**

Exhibit A

SPECIFICATIONS OF WORK TO BE PERFORMED  
Reference Provisions 2, 3 and 10

**Exhibit B**

**PAYMENT PROVISIONS**  
**Reference Provision 5**

**Exhibit C**  
**Special Provisions**  
**Reference Provision 20**

**Provision 8.2.5 as follows has been added to the State of New Hampshire Terms and Conditions (P37):**

The Contractor's and the State's monetary liability to one another shall not exceed two times the total contract price, and shall not include consequential damages. This limitation shall not apply to the following:

- (a) death or bodily injury and physical damage to real or intangible personal property;
- (b) misappropriation or infringement of any intellectual property including but not limited to any patent or copyright or any unauthorized use of any trade secret;
- (c) losses accruing to any and all contractors, subcontractors, materials, men, laborers and any other person, firm, or corporation furnishing or supplying work, services, materials or supplies to Contractor in connection with the performance of this Agreement;
- (d) personal injury;
- (e) disclosure of confidential information; or
- (f) failure to meet applicable statutes, regulations, codes or guidelines.

This provision shall not be subject to any modification.

Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this Agreement.

**Provision 13 of the State of New Hampshire Terms and Conditions (P37) is replaced by the following:**

The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all third party claims asserted against the State, its officers and employees, by or on behalf person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the gross negligence or willful misconduct of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this Agreement.